Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)
Federal-State Joint Board on Universal Service) CC Docket No. 96-45
1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated With Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms) CC Docket No. 98-171)))))
Telecommunications Services for Individuals With Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990) CC Docket No. 90-571)
Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size) CC Docket No. 92-237) NSD File No. L-00-72)
Number Resource Optimization) CC Docket No. 99-200
Telephone Number Portability) CC Docket No. 95-116
Truth-in-Billing and Billing Format) CC Docket No. 98-170

COMMENTS OF AMERICAN PUBLIC COMMUNICATIONS COUNCIL

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COMMENTS OF AMERICAN PUBLIC COMMUNICATIONS COUNCIL

The American Public Communications Council ("APCC") hereby submits initial comments in response to the Commission's February 26, 2002 Further Notice of Proposed Rulemaking ("Further Notice") in the above-referenced proceeding.¹

I. INTRODUCTION AND SUMMARY

The Commission should take the opportunity afforded by this proceeding to revisit whether the public interest standard of Section 254(d) of the Communications Act

Federal-State Joint Board on Universal Service, Further Notice of Proposed Rulemaking and Report and Order, 17 FCC Rcd 3752 (2002) ("Further Notice").

of 1934, as amended ("Act") requires that payphone service providers ("PSPs") make payments to universal service support mechanisms. For compelling policy reasons, PSPs should be exempt from such a requirement.

First, as the Commission recently acknowledged, the availability of payphones is valuable to all Americans and vital to low income Americans:

Payphones are an important part of the nation's telecommunications system. They are critical not only for emergency communications, but also for those Americans who cannot afford their own telephone service. Thus, despite evidence that payphones are losing market share to wireless services, the basic pay telephone remains a vital link for many Americans.²

Payphones "contribute" to universal service by providing the public with a unique service, available at all times to all members of the public, priced affordably on a per-use basis (and free for emergency calls). Payphone service supplies the public with a reliable, wireline, high-quality form of telecommunications, the value of which was clearly demonstrated on September 11, 2001. For those members of the public who cannot afford telephone service, payphones constitute a "lifeline" service. For many of the same reasons that the Commission proposes to exempt Lifeline connections from the "contribution" base, so too should the Commission exempt payphone connections from the base.³

Wisconsin Public Service Commission, Order Directing Filings, Memorandum Opinion and Order, 17 FCC Rcd 2051, ¶ 3 (2002) ("New Services Test Order").

In the Further Notice, the Commission uses the terms "contribute" or "contribution" in the sense of payments to the Universal Service Administrative Company ("USAC") for universal service support mechanisms. Those payments can be made by direct payors or, in the case of resellers exempt as de minimis payors, payments are made by the reseller's underlying carrier and passed through as though the reseller were an end user. Federal-State Joint Board on Universal Service, Fourth Order on Reconsideration in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-123, 95-72, 13 FCC Rcd 5318, ¶ 298 (1997) ("Fourth Order on Reconsideration").

Second, as Congress recognized in Section 276 of the Act, there needs to be "widespread deployment of payphone services." Payphone service is of limited value if it is not readily available (e.g., a payphone five blocks away, instead of one or two, is of limited value for someone who needs to make an emergency 911 call). Yet the number of payphones on the American landscape is rapidly shrinking. The public interest standard of Section 254(d), in light of the mandate for widespread deployment under Section 276, would best be served by the Commission exempting PSPs from making payments to universal service support.

Burdening payphone service by requiring universal service payments also would be anomalous in that PSPs, unlike other providers of telecommunications, have no rational method available for fairly recovering their universal service payments from end users. Raising the price of coin calls would unfairly discriminate against end users who use payphones predominantly for coin calls compared with those who use payphones predominantly for making dial-around calls to 800 numbers or by using calling cards, prepaid cards or other access code arrangements to make dial-around calls. As for dial-around calls, the Commission-prescribed per-call compensation paid to PSPs by 800 or long distance service providers does not include an element to cover the PSPs' universal service payments.

The Commission can, as well as should, exempt PSPs from making payments to universal service. The Commission's conclusion in its 1997 *Universal Service Order* that the public interest required PSPs to make payments to universal service⁵ was based on an

Section 276(b)(1) directed the Commission to prescribe regulations that would "promote the widespread deployment of payphone services to the benefit of the general public." 47 U.S.C. \$276(b)(1).

Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Rcd 8776, 9184-85, ¶ 797 (1997) ("Universal Service Order").

erroneous premise. The Commission, by failing to recognize that a local exchange carrier ("LEC") can be a telecommunications carrier for some purposes but not others, mistakenly classified LEC payphone service as service provided by telecommunications carriers and thus subject to mandatory universal service payments under Section 254(d) of the Act. Based on its misclassification of LEC payphone service as service provided by telecommunications carriers, the Commission found that for reasons of competitive neutrality the public interest required that independent PSPs, who are not telecommunications carriers, also make universal service payments. Because LEC payphone service is not a service provided by telecommunications carriers and therefore is not subject to mandatory payments for universal service, the Commission is free to exempt PSPs from making payments to universal service, and should do so.

If PSPs are to be assessed for universal service, they should be placed in a separate category reflecting the unique characteristics of payphone service. PSPs also should be assessed, if they are to be assessed at all, at a level not higher than that applicable to providers of service with like characteristics. Payphone service looks most like pager service – both provide predominantly one-way calling and both have end users with low percentages of interstate calls from which to recover universal service contributions – so the assessment for pagers is the most appropriate assessment to apply to PSPs if any assessment is to be applied.

Although LECs classify payphone lines as multi-line business lines for purposes of the subscriber line charge, under no circumstances should payphone service be subjected to the Tier 1 multi-line business connection assessment under the Commission's proposed connection-based system. Unlike multi-line business lines, payphone lines serve the

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⁶ Id.

interests of the general public, not just the business subscriber's interests, are used by the public for personal as well as business calls, are provisioned as single line connections and not as multi-line connections, and even when there is more than one payphone at a location, each payphone almost always gets a dedicated line so there is no aggregation of calls.

If PSPs were burdened with the egregiously high illustrative Tier-1 assessment of \$4.00 per connection per month used by the Commission,⁷ the pace of payphone removal would accelerate precipitously, especially in low volume/rural locations. Under the Commission's proposal for tiered multi-line business connections, a PSP with 500 payphone stations would be assessed \$2,000 per month at the Tier-1 rate whereas a carrier serving a PBX-equipped business customer with 500 stations probably would be assessed less than one-thirtieth the PSP's assessment (assuming the carrier served the PBX-equipped customer by using three T-1 connections, which should be adequate, the total monthly assessment would be \$60 based on the Commission's illustrative Tier-2 assessment of \$20 per T-18).

If PSPs are required to make universal service payments, a *de minimis* exemption should be retained to ensure that tracking and reporting burdens on small PSPs – and most independent PSPs are very small – do not outweigh the value of the minimal payments those providers would add to universal service support mechanisms.

The Commission must adjust current LEC universal service recovery practices.

The Commission should make clear that LECs providing connections to independent PSPs will not be assessed universal service fees based on those connections, and thus will have no

Further Notice ¶ 52.

⁸ Id.

universal service charges to pass-through to PSPs, if PSPs are exempted from making payments to universal service. If PSPs are required to make payments to universal service, but smaller PSPs are not direct payors because the Commission retains a *de minimis* exemption, LECs should only be allowed to pass through to those smaller PSPs the same amount the LEC is assessed.

Finally, for the last several years, PSPs who contribute as payors to universal service have also been subjected to LEC and other carriers' universal service pass-through fees. The Commission must bring this on-going practice of double billing PSPs to a halt, and ensure that the practice does not resume if the Commission continues to require PSPs to make payments to universal service.

II. STATEMENT OF INTEREST

APCC is a national trade association representing over 1,300 primarily independent (non-LEC) providers of pay telephone equipment, services and facilities. APCC seeks to promote competitive markets and high standards of service for payphones. To this end, APCC actively participates in Commission proceedings affecting payphones.

III. THE COMMISSION SHOULD EXEMPT PSPS FROM MAKING PAYMENTS TO UNIVERSAL SERVICE SUPPORT MECHANISMS

Payphones provide a unique and vital form of universal service, yet payphones are being removed from locations around the country at an alarming rate that is jeopardizing widespread availability of the service. The Commission, as a matter of public policy and law, should exempt PSPs from making payments to universal service support, and there is no statutory or other legal bar to the Commission's doing so.

A. Payphone Service Is A Unique Service That Is Important To All Americans, And Is A "Lifeline" For Those Who Can Afford Neither A Home Phone Nor A Wireless Phone

Payphone service is an "on demand dial-tone/per use" wireline, high-quality service available twenty-four hours a day, seven days a week, 365 days a year. Users are not required to make an initial investment in equipment, await activation of the service or pay recurring monthly charges. Any member of the public can place a call anywhere at any time. Users have the option of paying for calls with coins or by use of calling cards, prepaid cards or other access code arrangements. Emergency 911 calls are also free of charge across the nation's public payphone base. Users can place calls to 800 subscribers at no charge to the caller. By providing all Americans, no matter what their income level, with ready, affordable and reliable access to the telephone network, PSPs "contribute" to universal service.

A vitally important requirement for payphone service is widespread availability. When a member of the public needs to use a payphone, he or she needs to be reasonably assured that a payphone is located nearby. Although payphones are being removed at an accelerating pace, payphone service is still widely available, at least for now. In urban areas, payphones are located at transportation hubs (airports and train, bus and subway stations), hotel lobbies, movie theaters, sports arenas, casinos and other entertainment centers, shopping malls, gas stations, truck stops, restaurants, grocery stores, convenience stores, and many other retail outlets. Payphones also are found in public buildings and areas, such as museums, libraries, schools (including public and private college campuses), parks and government office buildings. In the business districts of large cities, payphones are found on many city blocks. Importantly, payphones are located in urban low income

neighborhoods where many residents do not have access to other telecommunications services.

In rural areas, of course, payphones are more sparsely situated. Unlike in major cities, where a payphone is probably a short walk away, rural payphones more likely are a short drive away. But for rural residents, payphones can be as important as they are in core city neighborhoods. In rural areas, payphones are found at gas stations, highway rest areas, the country store, and on Tribal Lands. The importance of payphones in rural areas has been emphasized by the press⁹ and by rural groups, such as Rural Housing, Inc.¹⁰ and The Eastern Band of Cherokee Indians.¹¹

For those who have neither a home phone nor a wireless phone, payphones provide a crucial "lifeline" service. This is true both for important day-to-day calls and for emergency communications. Community Voice Mail, in its comments filed in the Joint Board's universal service definition proceeding, explained that its "clients – the homeless, the unemployed, people seeking drug or alcohol abuse counseling and others in distress

See, e.g., Bettina Boxall, Removal of many payphones poses problems for small town residents, Los Angeles Times, Jan. 22, 2001 ("the loss[of payphones] is particularly painful in the back country, where cell phones may not work and some residents may not have a phone line to their house") (attached as Appendix A).

See letter from Jerard Mageland of Rural Housing, Inc. to Federal Communications Commission Chairman Kennard of June 20, 2000 ("We are a small non-profit agency that assists low income families in the rural areas Some of these families must walk to make their phone calls. This could be a problem for the elderly and handicapped persons. . . .") (attached as Appendix B).

See letter from Leon D. Jones, Principal Chief, The Eastern Band of Cherokee Indians to Federal Communications Commission Chairman Kennard of September 27, 2000 ("The removal of . . . payphones is a big inconvenience to our tourists in the North Carolina Mountains where cellular service does not work. . . . We also have a great number of Tribal members who do not have a telephone in their home and must rely on payphones to contact family and emergency services. Nowhere are payphones more critical than on rural Tribal lands.") (attached as Appendix C).

who are trying to restore order to and reconstruct their lives – rely on payphones as their primary means to meet their communications needs."¹²

A large number of "800" calls to social service agencies are made from payphones. A case study conducted in the Chicago area revealed that during the period from July 1999 to June 2000, more than 47,000 "800" calls were made from payphones to the Illinois "Link" Help-Desk which furnishes information about food stamps, income assistance and related services.¹³ Hundreds of community service groups have communicated to the Commission the importance of payphones for their constituents¹⁴ and data from the Chicago study underscores the nature of payphone service as a "lifeline" for low income Americans.

Thus, for the same reasons the Commission has proposed "to exempt Lifeline connections from the contribution base," the Commission should exempt payphone connections from universal service assessments. The Commission noted that "[b]ecause Lifeline customers represent only a small portion of the contribution base, approximately

See Community Voice Mail letter dated 30 October 2001 and filed November 5, 2001 in the Joint Board universal service definition proceeding in CC Docket No. 96-45 (a copy of Community Voice Mail's letter is attached as Appendix D). Community Voice Mail enables participating community service organizations to provide private, personalized voice mail for clients who either lack a home phone or who, because of privacy concerns, cannot use their home phone for reliable messaging.

See The Importance of Payphones in Providing Access to Social Services: A Case Study in Chicago, sponsored by APCC (attached as Appendix E).

See e.g., Letter from Community Voice Mail to Federal Communications Commission Chairman Powell of June 6, 2001 (signed by representatives from numerous community organizations) (attached as Appendix F); Letter from Gillette Abuse Refuge Foundation to Federal Communications Commission Chairman Kennard of September 26, 2000 (attached as Appendix G); Letter from YMCA Children, Youth and Family Services, Inc. to Federal Communications Commission Chairman Kennard of September 21, 2000 (attached as Appendix H). Numerous other community groups have filed letters emphasizing the importance of widespread payphone deployment in the New Services Test proceeding in Bureau/CPD File No. 00-01.

Further Notice ¶ 40.

5.9 million of 235 million . . . connections," exempting Lifeline connections would not have a significant impact on universal service funding. Today there are less than 2 million payphone connections (of which fewer than 500,000 are independent PSP connections), so exempting payphone connections should have a much smaller impact on universal service funding than the Commission's proposed exemption for Lifeline connections. 17

For those who can afford home and office phones, but who do not use wireless phones, payphones are important when away from home or office and are critically important in emergency situations.¹⁸ For those with wireless phones, payphones provide valuable (and, in the case of emergencies, critical) backup when, as is often the case, wireless phones are not able to function or complete a call for a variety of reasons. The tragedy on September 11, 2001 highlighted both the vulnerability of wireless and the reliability of payphones.¹⁹

¹⁶ Id.

As discussed in Section V, if payphone connections are to be assessed at all, they should be assessed at a level not greater than the \$.25 monthly assessment proposed for pager connections. At the \$.25 level, payphone line connections would generate less than \$6 million per year to universal service support mechanisms ($$.25 \times 2$ million payphones = $500,000 per month; $500,000 x 12 months = $6 million) or less than .0002 of the current $5.5 billion universal service fund requirement. By comparison, Lifeline connections, at the $1.00 monthly assessment proposed for residential connections would generate approximately $71 million per year (<math>1.00×5.9 million Lifeline connections = \$5.9 million per month; \$5.9 million x 12 months = \$70.8 million) or almost 12 times more than the universal service payments that payphone connections would generate at the maximum assessment that should be applied to payphones.

See, e.g., North Carolina Sheriff's Association Resolution adopted July 26, 2000 ("citizens rely on the availability of pay telephones for emergencies and for use away from home") (attached as Appendix I); Georgia Sheriff's Association undated Resolution ("citizens who are away from home and have no wireless service must have payphones available to access 911 emergency service") (attached as Appendix I).

See, e.g., Christopher Boyd, Tuesday's tragedy highlights value of payphones, Orlando Sentinel Sept. 17, 2001 (attached as Appendix K).

In short, PSPs "contribute" to universal service by providing all Americans, no matter what their income level, with ready, affordable and reliable access to the telephone network.

B. Congress Has Mandated Widespread Deployment Of Payphones

Congress has recognized the unique nature of payphones and the role they play in serving the public. In 1996, Congress enacted Section 276 of the Act,²⁰ directing the Commission to take actions that would "promote the widespread deployment of payphones." In 1998, according to Commission data, the number of payphones deployed was about 2.15 million.²² The Commission found that this level of deployment was consistent with Congress's goal of widespread deployment of payphones.²³

C. Wireless Expansion And Regulatory Delay In Resolving Payphone Issues Are Eroding Payphone Deployment

Today, because of the rapid expansion of wireless and because of delay in resolving regulatory issues negatively affecting PSP costs and revenues, payphone deployment is quickly eroding. The expansion of wireless services since 1998 has had a dramatic effect in reducing the overall volume of calls made at payphones. As call volume has declined, PSPs have been under pressure to remove payphones from locations where payphones are still needed by the public but no longer attract a sufficient number of calls to offset costs.

²⁰ 47 U.S.C. § 276.

²¹ 47 U.S.C. § 276 (b)(1).

Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Third Report and Order, 14 FCC Rcd 2545, n.390 (1999) ("Payphone Third Report and Order").

²³ Id. ¶ 141.

At first, the decline in payphone deployment was slight. Between 1998 and March 1999, the number of payphones deployed decreased from 2.15 million to 2.12 million, a decrease of a little more than one percent. Between March 1999 and March 2000, the decrease in payphones deployed decreased from 2.12 million to 2.06 million, a decrease of less than three percent.²⁴ However, between March 2000 and March 2001 the number of payphones decreased by approximately seven percent from 2.06 million to 1.92 million, a significantly higher rate of decrease than the payphone industry experienced during the preceding two years.²⁵

The announcement last year by BellSouth, which at the time operated 143,000 payphones throughout the southeast, that it plans to exit the payphone market soon and focus on its wireless business²⁶ is a precursor of an even higher rate of decrease in 2002 and 2003. As wireless continues to grow rapidly, payphone call volume is almost certain to continue to decline, which will increase the pressure on PSPs to remove marginally performing payphones.

In addition, delay in resolving regulatory issues has resulted in PSPs bearing excessive line costs and suffering from an inability to collect much of the dial-around compensation to which the Commission has found they are entitled. The Commission recently has acted to address these issues.²⁷ However, the Commission's actions, which do

See "Comparison of Payphone Deployment (1999-2001)" (attached as Appendix L).

²⁵ Id.

See Telecommunications Reports, February 5, 2001, Industry News.

See New Services Test Order (requiring Bell operating company LECs to establish payphone line rates based on forward-looking cost methodology to develop direct costs and applying reasonable overhead loading factors to direct costs); Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Third Order on Reconsideration and Order on Clarification, 16 FCC Rcd 20922 (2001) (requiring first switch-based long distance carrier to pay dial-around compensation).

not resolve fully the issues, are still subject to a lengthy review process²⁸ with the potential for years of additional delay before the issues are finally put to rest.

Numerous state proceedings also may have to be conducted to establish appropriate levels for Bell Operating Company ("BOC") payphone line rates. With regard to non-BOC LECs, the Commission has left it to the discretion of state commissions to determine whether to apply the new services test or to allow the non-BOC LECs to retain their existing high payphone line rates. It remains to be seen whether state commissions will require non-BOC LECs to reduce payphone line rates to reasonable levels.

It also is too early to determine the effectiveness of the new collection mechanisms for dial-around compensation. Accordingly, PSPs will continue for at least some period to be squeezed between high payphone line costs and low revenues from dial-around compensation that cannot be collected. The net result is that PSPs will remain under pressure to remove payphones from locations where payphones are still needed by the public but do not generate sufficient revenues to be economically viable.

D. Payphone Service Does Not Fit Within The Universal Service Payment Model Because PSPs, Unlike Other Providers Of Telecommunications, Have No Rational Method Available For Recovering Universal Service Payments From End Users

PSPs, unlike other providers of telecommunications, have no rational method available for recovering universal service payments from end users. The Commission's "line

The BOCs have sought review of the New Services Test Order. See e.g. BellSouth Telecommunications, Inc. v. FCC, No. 02-1092 (D.C. Cir. filed March 15, 2002)(contesting the Commission's assertion of jurisdiction over BOC payphone line rates). Some PSP groups also have sought review. See New England Pub. Comm. Council v. FCC, No. 02-1055 (D.C. Cir. filed Feb. 11, 2002)(contesting the Commission's failure to assert jurisdiction over non-BOC LEC payphone line rates). If the PSP groups succeed in having the New Services Test Order reversed with regard to non-BOC LECs, PSPs may still have to initiate numerous state proceedings to obtain appropriate rate relief.

item" and "collect and remit" payment recovery proposals in the *Further Notice*²⁹ simply have no application to PSPs. Because PSPs do not fit the universal service payment model, requiring them to make universal service payments would be unduly onerous and unfair.

PSPs have two sources of end user revenue: interstate and intrastate coin calls. Only a small percentage of coin calls are interstate and a major increase in the charges for such calls would yield only minimal revenue to cover PSPs' universal service payments under the proposed connection-based system. As for intrastate coin calls (which are predominantly local), it would be inconsistent with Section 152(b) of the Act and the spirit of the Fifth Circuit's *Universal Service Decision* to recover federal universal service payments from such calls. The Fifth Circuit's reading of Section 152(b) of the Act precluded the Commission from taking intrastate revenues into consideration even where the Commission contemplated assessing universal service payments as a percentage of a provider's interstate revenues. If PSPs were required to make payments of any significance, PSPs would be in the position of having to recover such payments through price increases for local coin calls, a result at odds with the underlying purpose of Section 152(b).

Moreover, it would be inequitable, unfair and contrary to principles of cost causation to force those end users who make local and/or long distance coin calls to bear the entire burden of PSP payments to federal universal service support mechanisms. In its

Further Notice ¶¶ 95-108.

Currently, PSPs make universal service payments based on revenue generated by interstate coin calls, but such contributions are minimal because the calls generate so little revenue. Indeed, the vast majority of independent PSPs generate so little revenue from interstate coin calls that they fall within the *de minimis* exemption.

Texas Office of Public Utility Counsel v. FCC, 183 F.3d 393 (5th Cir. 1999) ("Universal Service Decision"), cert. denied 530 U.S. 1210 (2000).

³² *Id.* at 446-48.

1983 Access Charge Order,³³ the Commission was faced with a similar issue of equitable recovery of access charges from end users of payphone service. The Commission initially imposed an access charge on coin calls by end users of interstate and international public payphone services,³⁴ but on reconsideration abandoned that approach. As the Commission subsequently summarized its action in the Access Charge Order, the imposition of an access charge by PSPs on coin calls violated cost causation principles:

The Commission established a pay telephone element to which it apportioned a LEC's investment in payphones, payphone lines, and associated appurtenances. Initially, this revenue requirement was to be recovered solely thorough end user usage charges only on coin calls, which are referred to as 'sent paid' calls. Because the majority of all calls placed from payphone lines were billed on a collect, credit card, or third party basis,[35] however, such a rate structure would have recovered this revenue requirement from only a minority of the persons using payphones, a violation of the 'cost causation' principle. 36

On reconsideration, the Commission decided to eliminate the separate pay telephone element.³⁷ The same inequities that led the Commission in 1983 to abandon an access charge on coin calls apply equally to any requirement that PSPs make payments to universal service – there simply is no equitable way to impose the requirement on coin calls.

As for recovery of universal service payments from dial-around compensation, the Commission-prescribed per call charge that applies to interstate dial-around calls does not include an element that covers the cost of payments to universal service. Dial-around

MTS and WATS Market Structure, CC Docket No. 78-72, Third Report and Order, 93 FCC 2d 241 (1983) ("Access Charge Order"), modified on recon. 97 FCC 2d 682 (1983) ("Reconsideration Order").

Access Charge Order at 280.

Today, given the introduction of prepaid cards, a much greater percentage of payphone calls are non-coin calls than was the case in 1983.

C.F. Communications Corp. v. Century Telephone of Wisconsin, Inc., File Nos. E-89-170 et al., Memorandum Opinion and Order, 10 FCC Rcd 9775, 9777, ¶ 9 (1995).

Reconsideration Order at 703-06.

compensation covers a variety of costs (e.g., equipment, line, maintenance and SG&A costs), but does not provide for recovery of universal service contributions.³⁸

E. The Commission Can, As Well As Should, Exempt PSPs From Making Payments To Universal Service Support Mechanisms

The Commission erred in its 1997 *Universal Service Order* when it required PSPs to make payments to universal service support mechanisms. Section 254(d) of the Act mandates that "every telecommunications carrier" that provides interstate telecommunications services contribute to universal service support mechanisms. Section 254(d) also states that other "providers of telecommunications" may be compelled to make universal service payments but only "if the public interest so *requires*" (emphasis added). PSPs, as "aggregators" under Section 226 of the Act, are specifically excluded from the definition of "telecommunications carrier." Accordingly, the Commission can direct PSPs to make payments to universal service support mechanisms only if the public interest requires.

In its 1997 Universal Service Order, the Commission acknowledged that independent PSPs were not "telecommunications carriers," but found that the public interest requires that such providers make universal service payments. The Commission did so on a competitive neutrality theory, reasoning that since LECs that owned payphones were required as telecommunications carriers to make payments to support mechanisms, so too should independent providers. As the Commission explained:

If we did not exercise our permissive authority [under section 254(d)], aggregators that provide only payphone service would not be

See Payphone Third Report and Order at ¶¶ 165-91.

Section 151(44) of the Act provides that "[t]he term 'telecommunications carrier' means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in section 226)."

required to contribute, while their telecommunications carrier competitors would. We do not want to create incentives for telecommunications carriers to alter their business structures by divesting their payphone operations in order to reduce their contributions to the support mechanisms.⁴⁰

As APCC pointed out in seeking reconsideration of the *Universal Service Order*, the Commission's conclusion is premised on the Commission's erroneous belief that telecommunications carrier-affiliated PSPs are subject to mandatory universal service payments from their payphone service revenue under Section 254(d) of the Act.⁴¹ The Commission's premise is simply incorrect. It does *not* follow that carrier-owned payphone service revenues must be attributed to the carrier's telecommunications carrier operations. See, e.g., FCC v. Midwest Video, 440 U.S. 689, n.9 (1979), citing with approval NARUC v. FCC, 533 F.2d 601, 608 (D.C. Cir. 1976)(an entity can be a common carrier with regard to some activities but not others); James Lister, The Rights of Common Carriers and the Decision Whether to Be a Common Carrier or a Non-Regulated Communications Provider, 53 FED. COMM. L.J. 91, 94 (2000). The definition of "telecommunications carrier," which was incorporated into the Act in 1996, adopts the concept that an entity can be a carrier for some purposes but not others. Section 153(44) of the Act, which defines "telecommunications carrier," states in relevant part that "[a] telecommunications carrier shall be treated as a common carrier under this Act only to the extent that it is engaged in providing telecommunications services " 47 U.S.C. § 153(44).

Thus, to the extent that a LEC or other telecommunications carrier operates as a payphone service "aggregator," the carrier is not operating as a telecommunications carrier and is not subject to the mandatory contribution requirement of Section 254(d) of the Act.

⁴⁰ Universal Service Order ¶ 797.

APCC July 17, 1997 Petition for Partial Reconsideration at 3-6; APCC's August 21, 2001 Supplemental Notice at 8-11.

The Commission can – and for all the public interest reasons spelled out above, should – exempt PSPs from making payments to universal service support mechanisms.

IV. IF PAYPHONE SERVICE IS NOT EXEMPT, PAYPHONE CONNECTIONS SHOULD BE PLACED IN A SEPARATE CATEGORY

If the Commission decides, despite the strong public policy considerations set forth above, not to exempt PSPs from universal service payments, payphone connections should be placed in a separate category reflecting the unique characteristics of payphone service. The Commission has recognized certain categories of service – paging, wireless, residential/single-line business and multi-line business – for universal service assessment purposes. Each category seemingly includes services with common characteristics.

Payphone connections do not fit neatly within any of the Commission's proposed categories for connection-based assessments. Payphones are unique in that they are the *only* provider group required to provide free emergency and TRS calling to the general public. This characteristic alone supports a separate category. Moreover, payphones are distinguishable as a result of their more generalized usage patterns, the manner in which their lines are provisioned, and their general availability to the public for all types of calling. PSPs, by the very nature of the service they provide the public, already "contribute" to universal service. The Commission has also recognized in other proceedings that specific policy concerns apply to payphones. These concerns require a separate category for payphones in which the rate of assessment is zero.

Commission policy recognizes that payphone service is a special category, requiring its own regulatory treatment. In Section 276 of the Act, Congress mandated that the Commission ensure the "widespread deployment of payphone services." In the *First*

⁴⁷ U.S.C. § 276(b)(1).

Payphone Order, the Commission concluded that LECs must offer PSPs specific services, such as payphone lines for "smart" and "dumb" payphones, and set policies to implement those services.⁴³ A particular concern in the *First Payphone Order* was limiting the rates paid by PSPs to LECs for payphone line service.⁴⁴

In the *New Services Test Order*, the Commission found that the BOCs may not equate payphone lines with business lines for rate-setting purposes.⁴⁵ In addition, the Commission found that the price of BOC payphone lines must be cost-based.⁴⁶ Beyond its specific ruling on the pricing of BOC payphone lines, the Commission stated that "the federal regulatory program implemented in section 276 would surely benefit if all LECs were required to use cost-based rates for their payphone line services."⁴⁷ Thus, the Commission, in accordance with Congress' mandate, has shown a particular policy interest in ensuring cost-based payphone line rates.

In the *Further Notice*, the Commission indicated that it is willing to make exceptions where a telecommunications service does not fit easily within the Commission's proposed universal service assessment methodology. The Commission specifically sought comment on how to apply the connection based methodology to Centrex systems, which are used by large businesses and government agencies and which fall into the Commission's category for multi-line business connections.⁴⁸ LECs that offer Centrex services typically

Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Report and Order, 11 FCC Rcd 20541, ¶¶ 146-149 (1996) ("First Payphone Order").

⁴⁴ Id. ¶ 146.

New Services Test Order ¶¶ 55-56.

⁴⁶ Id. ¶ 42.

⁴⁷ Id. ¶ 42.

Further Notice ¶¶ 55-56. Customers with Centrex systems have, for each telephone on their premises, a separate loop to the Centrex switch, which is maintained by the service (footnote continued on next page)

serve very large entities that may have thousands of lines. At the Commission's illustrative monthly \$4.00 per connection charge for multi-line business connections, LECs offering Centrex service would be subject to far higher assessments than they would incur for serving customers that were equally large but were equipped with PBXs. In a related context, the Commission established PICC assessments on Centrex service by using a Centrex line to PBX trunk equivalency ratio of 9:1.⁴⁹ In setting the equivalency ratio, the Commission cited the public interest benefits derived from reducing the assessment on Centrex, since many Centrex users are "government, education, and health care facilities."

For all the reasons discussed in Section III above and to further the policies articulated by the Commission in the *First Payphone Order* and the *New Services Test Order*, the Commission should assess payphones at the rate of zero. Payphones provide a unique and valuable public service. Unlike paging services, residential lines, business lines, and wireless handsets, which all generally serve private interests, payphones typically are situated at locations available to the entire public. In one day, a single payphone can provide numerous members of the public with access to telecommunications for routine or important personal or business calls as well as for emergency communications. With services such as Community Voice Mail – a service providing individual voice mail boxes to people without home phones – payphones provide the homeless, unemployed, and others

provider and may be located either at the customer's premises or at the service provider's central office. Id. ¶ 56. Customers with PBX systems, on the other hand, maintain their own facilities for internal communications and may have only a single facility maintained by the service provider that provides access to a public network. Id.

Access Charge Reform, Second Order on Reconsideration, 12 FCC Rcd 16606, ¶ 31 (1997) ("Access Charge Reform Order").

⁵⁰ Access Charge Reform Order ¶ 34.

in distress with a primary means to meet their telecommunications needs. Literally hundreds of social service, law enforcement and other community groups have gone on record with the Commission about the need for ready access to payphone service.⁵¹

Comparatively, payphone service places far less of a burden on the public switched telephone network than Centrex service. Since the Commission appears to have placed Centrex in a special category for regulatory assessment purposes, the Commission should place payphones in a special category for universal service assessments, reflecting established Commission policy regarding payphones, the numerous benefits to the public of payphones and the fact that payphones, as discussed below, are distinguishable from all of the categories of service established in the *Further Notice*. Because PSPs, by the nature of the service they provide, already "contribute" to universal service, payphone connections should be assessed in a separate category at a rate of zero.

V. IF PAYPHONE CONNECTIONS ARE ASSESSED AT A RATE GREATER THAN ZERO, PAYPHONE CONNECTIONS SHOULD BE ASSESSED AT NO MORE THAN THE RATE FOR PAGERS

If the Commission assesses payphone connections at a rate above zero, it should assess payphone connections in a similar manner to paging connections, priced at a rate of no more than \$0.25 per connection. Among the various categories of connections the Commission has established, the characteristics of payphone usage most closely resemble those of pagers.

In the *Further Notice*, the Commission proposed to assess providers of interstate paging services at \$0.25 per connection.⁵² Pagers provide limited functionality, since

See supra note 14.

⁵² Further Notice ¶ 39.

pagers only provide customers with access to one way communication.⁵³ Furthermore, in proposing the \$0.25 assessment for pagers, the Commission recognized that paging providers currently contribute to universal service under an interim safe harbor provision that allows them to assume that interstate end-user telecommunications revenues comprise 12 percent of their total revenues.⁵⁴ As a result of the safe harbor, a significant number of paging providers are not required to contribute directly to universal service because they are within the *de minimis* exception.⁵⁵

Like pagers, payphones are generally used for a more limited connection to a public network than residential or business connections: namely, the vast majority of payphone calls are outgoing. Many payphones cannot even receive incoming calls. Additionally, just as one paging frequency can serve numerous subscribers receiving messages, one payphone can serve many different people making outgoing calls. Also, as with pagers, the assessment adopted for payphone lines should reflect PSPs' comparatively small interstate revenues. As the Commission has set the current safe harbor for paging connections at 12 percent of interstate revenue and PSPs' interstate coin revenues are typically less than 12 percent of PSPs' total revenues, the Commission should assess PSPs' universal service contributions at a low rate, reflecting their minimal interstate revenues. As is the case with paging providers, most PSPs currently qualify for the *de minimis* exception.

Assessment of payphone connections as residential/single-line business connections would not reflect the actual usage of payphone lines. First, payphones are more analogous to a partyline – a single line shared by multiple customers, than they are to

⁵³ *Id*.

⁵⁴ *Id*,

⁵⁵ *Id*.

a typical residential line. A single payphone serves the telecommunications needs of numerous different people on any given day. Unlike residential lines, which are normally located in a house or apartment, a person is not likely to receive an incoming call at a payphone.

Nor are payphone connections used in the same manner as single-line business connections. First, a typical single-line business connection is used by one business. In most cases, the only persons able to access such a business line are the proprietor and employees of the business. A payphone may serve the business needs of numerous individuals who either do not have wireless phones or, as is often the case, whose wireless phones cannot receive a signal. Second, even though payphones are used for some business calling in a manner analogous to "business-to-business" calls, payphones are just as important for making personal calls, such as calls to friends and family from a shopping mall or airport. Personal calls from payphones may be somewhat similar in length to personal calls from residential phones, but business calls from payphones tend to be short.⁵⁶ Payphones do not fit as either residential or single-line business connections.

Payphone connections share almost nothing in common with multi-line business connections. Payphone connections are not provisioned in the same manner as typical multi-line connections. Generally, a PSP's payphones are located at a distance from one another. Even when there is more than one payphone at a location, there is rarely any common usage or pooling of access; each phone gets a dedicated line. This structure is not at all like that of multi-line business systems where each line serves multiple phones with

In some specialized situations, such as at airports or truck stops, payphones may be used for longer business calls.

overlapping access to lines by many or all phones at a single location and where there is typically a high ratio of phones to lines.

If payphone lines were classified as multi-line business connections and assessed at the illustrative rate from the *Further Notice* of \$4.00 per connection per month, a PSP with 500 stations would be assessed \$2,000 per month whereas a carrier serving a PBX-equipped business customer with 500 stations probably would be assessed *less than one-thirtieth* that amount, \$60 per month. Under the Commission's assumptions regarding Centrex service, ⁵⁷ PBX-equipped customers require only 1 line between the PBX and the serving LEC's central office for each 9 customer phone stations. Thus, a LEC could adequately serve a PBX-equipped customer with 500 phone stations by using three T-1 connections (with each T-1 providing 24 voice grade channels). Under the Commission's illustrative rates, the LEC would be assessed at \$20 per T-1, or \$60 per month, compared with the \$2,000 per month assessment the PSP with 500 payphones would bear if assessed at the illustrative \$4.00 per line rate. ⁵⁸

Payphone connections also are fundamentally different from wireless connections. First, the most significant attribute of a wireless connection is the convenience a subscriber derives from the phone's mobility. A payphone is in a fixed

See discussion in section IV, supra.

In the Further Notice, the Commission seeks comment on whether to use a LEC's subscriber line charge ("SLC") designation on a customer's bill as a proxy for determining whether a fixed connection is a residential/single-line business or multi-line business connection for assessment purposes. Further Notice ¶ 58. PSPs are assessed the multi-line SLC by LECs. When the multi-line SLC was first assessed, LECs unlawfully and with the Commission's approval assessed it only on independent PSPs' lines and not on LEC payphone lines. See C.F. Communications v. Century Tel. of Wisconsin, Memorandum Opinion and Order on Remand, 15 FCC Rcd 8759 (2000). The Commission did not prevent LECs from imposing the multi-line SLC. Since payphone lines have almost no multi-line characteristics, the imposition of the multi-line SLC itself has always been incongruous.

location. Second, since many wireless phones have flat-rate "call anywhere" pricing plans, wireless phones are used for significant amounts of interstate calling as compared to payphones. Wireless phones, like most fixed stations other than payphones, are also used for significant amounts of incoming as well as outgoing calling.

For the aforementioned reasons, if the Commission assesses payphone connections at a rate above zero, it should assess payphone connections, like paging connections, at a rate of no more than \$0.25 per connection.

VI. THE COMMISSION SHOULD RETAIN THE *DE MINIMIS* EXCEPTION

Under Section 54.708 of the Commission's rules, interstate telecommunications providers whose annual universal service payments are expected to be less than \$10,000 are not required to contribute as payors to universal service mechanisms.⁵⁹ The Commission's rationale in adopting the \$10,000 *de minimis* exception in 1997 was that the combined administrative costs for USAC and the payor should not exceed the payment amounts.⁶⁰ If the Commission fails to enact a *de minimis* exception to its proposed contribution methodology, then numerous PSPs who have been relying on the exception will suffer significant financial burdens through additional administrative compliance costs. In addition, USAC will incur significant additional costs collecting minimal payments from small entities such as independent PSPs.⁶¹

Those PSPs with fewer than 1,000 lines should be exempt from paying directly to USAC under the *de minimis* exception. The combined costs to those providers and to USAC to process such contributions would exceed the value of the contributions.

⁵⁹ 47 C.F.R. § 54.708.

Fourth Order on Reconsideration $\P\P$ 295-297.

⁶¹ Id. ¶ 297.

VII. REGARDLESS OF WHETHER INDEPENDENT PSPS ARE REQUIRED TO MAKE PAYMENTS TO UNIVERSAL SERVICE, LECS MAY ONLY PASS-THROUGH UNIVERSAL SERVICE CHARGES TO INDEPENDENT PSPS IN LIMITED CIRCUMSTANCES

If PSPs are exempt from making payments to universal service, the Commission should make clear that LECs providing connections to independent PSPs will not be assessed universal service fees based on those connections, and thus will have no universal service charges to pass-through to PSPs.

In addition, for the last several years, independent PSPs who have been contributing as payors to universal service have also been subjected to LEC and other carriers' universal service pass-through fees. If PSPs, contrary to the public interest and other considerations, are required to pay into the universal service fund, the Commission must bring this on-going practice of double billing PSPs to a halt, and ensure that the practice of LECs billing PSPs does not continue.

If PSPs are not exempt from paying into the universal service fund, LECs providing connections to independent PSPs should, under any circumstance, only pass-through the exact amount which LECs are assessed for providing the connections. For example, where an independent PSP is subject to the *de minimis* exception, the serving LEC should pass-through no more than the exact amount that the independent PSP would pay if it were a direct payor.

VIII. CONCLUSION

Payphone service is a unique and valuable component of universal service. To help ensure the continued widespread deployment of payphones, the Commission should, and can, refrain from burdening PSPs with making payments to support universal service mechanisms. If PSPs are not exempted, payphone connections should be placed in a

separate category for universal service assessment purposes. Payphone connections should be assessed at a rate of zero, and in no event, higher than the rate level applied to pagers.

Dated: April 22, 2002

Respectfully submitted,

Albert H. Kramer Allan C. Hubbard Jeffrey H. Tignor

Dickstein Shapiro Morin & Oshinsky, LLP 2101 L Street, N.W. Washington, D.C. 20037-1526 (202)828-2226

Attorneys for the American Public Communications Council

FUNESCOUL

REMOVAL OF MANY PAY PHONES POSES PROBLEMS FOR SMALL-TOWN RESIDENTS

ECONOMICS: COMPANIES BLAME COMPETITION FROM CELL PHONES AND 800 NUMBERS. BUT SOME PEOPLE SAY THE SERVICE IS THEIR LIFELINE.

January 22, 2001 By Bettina Boxall Times Staff Writer

The pay phone in Goodyears Bar, population 100, is gone. So is the one in Gazelle, population 400, and the one at the public school in pint-sized Pike.

The ubiquitous pay phone is disappearing from lonely outposts and city street corners throughout the state, the victim of cellular phone ompetition and other economic ressures.

In the last year, companies yanked out about 1,000 pay phones a month in California. No one is predicting that coin box phones will vanish from the landscape, but their declining numbers are stirring outcries in rural settlements and urban neighborhoods alike.

The loss is particularly painful in the back country, where cell phones may not work and some residents may not have a phone line to their house.

It doesn't sound really serious when you say, 'Take a pay phone out here and there,' if you live in a city," said Siskiyou County Supervisor Bill Hoy. "But when you take one out of a community and it's 10, 20 miles or 100 miles to the next pay phone, it's different."

Since Gazelle, a farm and ranch community about 20 miles from Mt. Shasta, lost its lone pay phone last fall, Postmaster Barry Thomsen has had to come to the rescue of a local woman /ith pneumonia and a man who ran out of kerosene to heat his trailer.

They both asked him to phone for help, which he did.

"I just wonder, if there's a real emergency when I'm not open, what people do," Thomsen said. Sure, they can go to a house, he said, but "if [the residents] don't know you and it's dark, some of these people are not going to be eager to open their door."

Thomsen is crossing his fingers that the nearest pay phone, nine miles away, doesn't get carted off as well.

Over in Goodyears Bar in scantily populated Sierra County, Cheryl Morse tried without success to get Pacific Bell to reinstall the public phone that was removed in late 1999 from the spot where it had stood for at least two decades, next to an old one-room schoolhouse.

"Tragedies happen, and we need that phone booth there. It's that simple," she said.

Cell phones don't work in the little enclave, next to a fork of the Yuba River popular with rafters. "It's just scary that there is no phone there now for any kind of emergency," Morse said. "That river is used a lot."

Pacific Bell is in the process of taking out about 22,000 of the 140,000 pay phones it owns in California. Other companies are pulling out some of their public phones.

There are now 258,658 pay phones in California, compared with 270,000 a year ago, according to the state Public Utilities Commission.

Pay phone owners say the shrinking numbers are a simple product of economics.

The cell phone explosion has stolen customers, and the growing use of 800

numbers and debit cards has made it harder for pay phone companies to collect fees from carriers.

Changes in federal regulations in 1996 also barred phone companies from subsidizing their pay phone divisions with revenue from other parts of their operation.

All that means that unprofitable pay phones are under scrutiny as never before.

"I think there's a lot of phone removal to come," said Thomas Keane, president of the California Pay Phone Assn. and chief executive of Pacific Coin, which owns pay phones in California, Arizona and Nevada.

The trend is evident across the country.

Vince Sandusky, president of the American Public Communications Council, which represents the pay phone industry, estimated that the number of pay phones peaked nationally in 1998 at 2.6 million. That figure has since fallen by more than 400,000.

Martin Garrick, who owns a small pay phone company in San Diego, goes so far as to characterize his industry as "a buggy whip business" on the wane because of market and technology forces.

"Having a pay phone that someone has to clean and repair every month when that's no longer subsidized is no longer feasible," he said.

Pacific Bell media relations director John Britton and other phone industry representatives pointed out that California does have a fund that will subsidize public phones if they are deemed necessary for public health and safety.

The PUC said a number of applications to the fund are pending, but there are now only 75 such phones in the state.

And if a store owner or community really feels a pay phone is necessary, Garrick said, they can install their own for \$1,500 to \$2,000 and then pay monthly line fees of \$30 to \$50.

Indeed, Britton said that after Pacific Bell removed pay phones from campuses in a Bay Area school district, officials decided to lease seven phones to get them back on school grounds.

That's unlikely to happen at Pliocene Ridge Schools in the Sierra County hamlet of Pike.

"Ha ha," responded special education teacher Rayette Ringle when asked whether the school might replace the phone removed by Pacific Bell last year.

The 100 or so students at the small school, kindergarten through 12th grade, greatly miss the pay phone, she said. "It makes you feel like you're connected. It was scary to see it ripped out."

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RURAL HOUSING, INC.

June 20, 2000

Honorable William E. Kennard, Chairman Federal Communications Commission 445 Twelfth Street S.W. Washington, D. C. 20554

Dear Mr. Kennard:

It has been brought to my attention that many of the public pay phones are being removed. We are a small non-profit agency that assists low-income families in the rural areas (cities under the population of 10,000) in Wisconsin.

Many of our clients are unable to afford phones and rely on use of public phones to make all their calls (be it an emergency, business, or pleasure). Some of these families must walk to make their phone calls. This could be a problem for the elderly and handicapped persons in rural areas and in larger communities.

I feel that there is a real need for payphones and would be a real burden to everyone, anywhere, if they are removed or made less accessible to the public.

Sincerely,

Jerard Mageland Housing Specialist Rural Housing, Inc

CC: Wisconsin Pay Telephone Association

CC: Terry M. Musser, State Representative, 92rd Assembly Dist.



The Eastern Band of Cherokee Indians

The Honorable Leon D. Jones, Principal Chief The Honorable Carroll J. Crowe, Vice-Chief

September 27, 2000

Dan McCoy
Chairman
Birdtown Township

Alan B. Ensley Vice-Chairman Yellowhill Township

Tribal Council Members

Teresa Bradley McCoy
Big Cove Township

Mary Welch Thompson
Big Cove Township

Jim Owle
Birdtown Township

Marie L. Junaluska Painttown Township

Tommye Saunooke
Painttown Township

Glenda Sanders
Snowbird &
Cherokee Co. Township

Brenda L. Norville Snowbird & Cherokee Co. Township

Larry Blythe
Wolfetown Township

Carroll Parker
Wolfetown Township

Bob Blankenship Yellowhill Township The Honorable William Kennard Chairman, Federal Communication Commission 445 12th Street Southwest Washington, DC 20554

Dear Chairman Kennard:

Thank you for all your efforts to bring telephone service to Tribal families. The FCC is to be commended for establishing programs to help all families on Tribal lands have a phone in their home. The FCC has also established incentives for wireless carriers to serve Tribal lands. But there is still a long way to go. Tribal lands are rural and our homeland is in the North Carolina Mountains where cellular service will never reach everyone.

I am writing to alert you to a disturbing development with respect to this issue. This summer Verizon has removed payphones at an alarming rate on our Reservation. We are a seasonal area for tourism, but our Tribal members live here year-round. The removal of these payphones is a big inconvenience to our tourists in the North Carolina Mountains where cellular service does not work. Moreover, all our Tribal members rely on these payphones when they are away from home to keep in touch with friends and relatives as well as conduct business on these payphones. We also have a great number of Tribal members who not have a telephone in their home and must rely on payphones to contact family and emergency services. Nowhere are payphones more critical than on rural Tribal lands.

We have a Tribal member who operates a limited number of payphones on the reservation, but he informs me that his ability to install more payphones is severely limited by the high rates his company must pay Verizon for the payphone line.

It is my understanding the North Carolina Utilities Commission has refused twice to require payphone line rates to be reasonable priced so more payphones could be available in rural and low-income areas of North Carolina. It is my further understanding that there is a North Carolina petition before the FCC now requesting that the FCC make the telephone companies charge reasonable rates that don't subsidize other services.

Telefax: (828) 497-2952

Mr. Kennard, you must see that the FCC grants this petition. Without payphones on rural Cherokee Tribal lands in North Carolina most of our Tribal members will be without access to phone service when away from home and many will still be without any telephone service at all. Our only hope is for the FCC to make payphone line rates reasonable so payphone providers can afford to install payphones not only on Tribal Lands, but in all rural and low income areas in North Carolina. This is not just our problem; this is a problem everywhere you have poor people who to not have a phone in their home or people who do not own a cellular phone.

Thank you again for all you've done to help us. Please do not leave office without finishing the great work you have started.

Sincerely,

Leon D. Jones
Principal Chief

cc: Commissioner Susan Ness

Commissioner Harold W. Furchgoti-Roth

Commissioner Michael K. Powell

Commissioner Gloria Tristani

Magalie R. Salas, Esq.

Dorothy Attwood, Chief, Common Carrier Bureau

Appendix D



30 October 2001

Magalie Roman Salas Secretary Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554 RECEIVED

NOV 5 2001

FEMOLAL GOMMANACATIONS SCHMISSION GPYNE OF THE SECREMAY

Re: Federal-State Joint Board on Universal Service Request for

Comments on Definition of Universal Service (CC Docket No. 96-45)

Dear Ms. Salas:

We write to urge the Joint Board to recommend that the Commission add payphone services to the list of core services eligible for federal universal service support. Our clients – the homeless, the unemployed, people seeking safe haven from domestic violence and others in distress who are trying to restore order to and reconstruct their lives – rely on payphones as their primary means to meet their communications needs. We are deeply concerned with the accelerating rate at which payphones across the country are being removed.

Community Voice Mail enables participating community service organizations to provide private personalized voice mail for clients who either lack a home phone or who, because of privacy concerns, cannot use their phone for reliable messaging. This service offers individuals timely and dignified contact with potential employers, landlords, health, human and social service providers and family members and has made it possible for thousands of people to get their lives back on track and make useful contributions within their communities. The only thing these individuals need to check their voice mail messages and communicate vital information is a readily accessible payphone.

We understand that payphones are being removed for a variety of economic reasons. Among these is excessive payphone line rates, a matter which leaders of some 300 of our community service groups addressed in a letter to Chairman Powell. A copy of that letter is attached. Reasonable payphone line rates should slow the rate of payphone removal. However, because there are other factors, namely the expansion of wireless, fewer and fewer payphones will remain, even with reasonable payphone line rates.

The public has a need for many of the payphones that are being removed. Our clients need ready access to payphones as do others who cannot afford wireless. Even for those who can afford wireless phones, payphones provide important backup. We do not always have our wireless phones with us when we need to make a call, and even when we

A program of Community Technology Institute



P.O. Box 61385 Seattle, WA 98121 Ph./Fax: 206.441.7872 Femail:

cvm@activevoice.com

www.cym.ore

do, we may be outside the coverage of our wireless phones, have a dead battery or experience poor signal quality.

The time has come to consider federal universal service support for payphones. We urge you to do so in this proceeding.

Five additional copies of this letter (and attachment) are enclosed. Please date stamp and return one of the copies to us in the self addressed stamped envelope enclosed for your convenience. We also are sending three paper copies of this filing to Sheryl Todd of the Accounting Policy Division and a diskette copy of our filing to Qualex International.

Sincerely

Jehnifer Brandon

Executive Director, CTI

Attachment



American Public Communications Council, Inc.

THE IMPORTANCE OF PAYPHONES IN PROVIDING ACCESS TO SOCIAL SERVICES: A CASE STUDY IN CHICAGO

Introduction

Payphones play a critical role in providing access to social services to low income households. About 94.1% of all American households have a telephone. Yet, there remain significant segments of the populations that do not have easy access to basic telephone service. For example, approximately 17% of black households with incomes under \$10,000 and about 10% of Hispanic households with incomes under \$10,000 do not have telephones in their home. Roughly 23% of rural poor households and 28% of poor Native American, Eskimo and Aleut households do not have telephones. Moreover, these same groups have lower rates of wireless telephone use. Consequently, these groups tend to rely on payphones to obtain access to social services, such as state assistance programs and local health services.

PAYPHONE USE IN THE CHICAGO AREA

National data on payphone use for social service calls are not readily available, but some data for certain metropolitan areas are available. The table below shows frequently called "800" numbers originating from telephones of a major independent pay telephone company in the Chicago area. The company has approximately 1400 payphones distributed widely throughout the Chicago metropolitan area. While this is a significant network, it represents less than 2% of payphones in Illinois.

The table shows that a large number of "800" calls to social service agencies are made from pay telephones. In fact, the fourth most frequently called "800" number was the Illinois "Link" Help-Desk, which furnishes information about food stamps, income assistance and related services. More than 47,000 "800" calls were made to this number. The table also shows other frequently called "800" numbers to social service agencies.

The table confirms that payphones perform an important role in providing access to these agencies. Moreover, calls to "800" numbers represent only a portion of calls made at pay telephones. (For this network during the relevant time period, "800" calls represented about 39% of total calls.) Thousands of other calls are made to social service agencies by placing coins in the payphone.

"800" Social Service Calls from one Chicago Area Payphone Network July 1999 to June 2000

Party Called

Purpose

Number of "800" Calls

Illinois "Link" Help Desk	Food Stamps, Income Assistance, etc.	47,342	
Illinois Dept. of Human Services	Social Services	3,537	
Social Security	Information on Social Security Program	3,051	
Illinois Dept. of Corrections	Weekly Check-Ins, etc.	1,908	
Cook County Inmate Information Center	Information	829	
CTA Para-Transit Operation	Disabled Services, Bus Schedules	574	
Illinois Dept. of Human Services	Social Services	514	
Bureau of child Support Help Line	Cook County Inquiries	479	
Illinois Dept. of Public Aid, Child Support Enforcement Help Line	Obtaining Support Payments in Springfield Region	304	
Illinois Dept. of Human Services	Illinois Relay Service	285	
Illinois Dept. of Revenue	Taxpayer Assistance	259	
Veterans Benefits	Information and Claims Assistance	229	
DCFS-Dept. of Children & Family Services	Information	144	
Illinois Dept. of Public Aid, Bureau of Kid Care	Information	106	
Homeless Hotline	Assistance with Shelter	101	
Illinois Dept. of Health & Human Services	Hotline	74	
Illinois Dept. of Human Services	Illinois Relay Service	58	
Illinois Dept. of Public Health	Central Complaint Registry	57	
AIDS Hotline	Information	39	
Drug Hotlines	Information	37	
Social Security Administration of Illinois	Information	30	
Illinois Poison Control Center	Emergency Information	14	
Illinois Dept. of Public Aid, Child Support Enforcement Help Line	Obtaining Support Payments in Marion Region	14	
Illinois Dept. of Public Health	WIC Help Line (Women, Infants, & Children Nutrition)	12	
HIV /AIDS / Testing - Confidential	Information	12	
Illinois Dept. of Health & Human Services	Domestic Violence Hotline	11	



June 6, 2001

Honorable Michael K. Powell Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Dear Chairman Powell:

We, the undersigned community service organizations, are deeply concerned that more and more payphones are being removed across America, particularly in low-income urban and rural areas where the need for payphones is the greatest. We understand a major factor contributing to the removal of payphones is the high rates that payphone providers in most states currently are charged to use the local telephone network. We urge you in the pending proceeding on this issue, CCB/CPD 00-1, to establish guidelines that will rapidly ensure the rates are not excessive.

Our organizations serve a large number of citizens, including many low-income families, the unemployed, homeless, victims of domestic violence and sexual abuse, rupaways and people seeking drug or alcohol abuse counseling, to name a few. With the assistance of Community Voice Mail, each of our organizations makes available a private personalized voice mail for clients who either lack home phones or who, because of privacy concerns, cannot use their phones. This service offers individuals timely and dignified contact with potential employers, landlords, health, human and social service providers and family members and has made it possible for thousands of people to get their lives back on track and make useful contributions within their communities.

THE ONLY THING THESE INDIVIDUALS NEED TO CHECK THEIR VOICE MAIL MESSAGES AND COMMUNICATE VITAL INFORMATION IS A READILY ACCESSIBLE PAYPHONE. The tragedy is that every week thousands of payphones are being removed across the United States, many in rural and urban low-income areas. The recent announcement by BellSouth, the provider of 143,000 payphones in the Southeast, that it is exiting the payphone business is a potentially grim indicator of the future scarcity of payphones.

The clients we serve rely daily on widespread availability of payphones. For these citizens, and many others in the 5.4 million American households that do not have a home phone, payphones are more than a convenience—they are a lifeline.

A program of Community Technology Institute



P.O. Box 61385 Seattle, WA 98121 Ph./Fax: 206.441.7872 E-mail: Please help keep payphones widely available in our communities. You can do this by ensuring that payphone line rates are reasonable.

Thank you for your attention to this vital matter.

Sincerely,

Community Technology Institute
/ Community Voice Mail
Jennifer Brandon
Seattle, WA

A New Life Consumer Center

Jacqui Williams Philidelphia, PA

Access Works
Sue Purchase
Minneapolis, MN

ACT I
B. Thomas
Philidelphia, PA

Action Ministries, Inc. N. GA Transitional Housing R. Thompson

Atlanta, GA

Ain Dah Yung - (Our Home) Shelter

Doreen Purcell Saint Paul, MN

Alternatives, Inc. Judith Gall Chicago, IL

American Indian Housing & CDCorporation Audrey Adams Minneapolis, MN A B C D/ Hip Jeanette Francis Bellingham, WA

Abs (comcare), Washington House Arthur Morales

Phoenix, AZ

ACT I S. Jackson Philidelphia, PA

ACT II
Pat Kenndy
Philidelphia, PA

Aids Community Project

Bill Thomas St. Petersburg, FL

Alliance Of The Streets

Mike Menner Minneapolis, MN

American Indian Center

Toni Innes Spokane, WA

American Indian OIC-MFIP

Linda Duck Minneapolis, MN Amherst H. Wilder Foundation -

Jobs Firs Tasha Walvig Saint Paul, MN

Amicus - Reconnect Dona Woltering Minneapolis, MN

Anishinabe Employment Services

Wilma Mason Minneapolis, MN Arizona Opportunities Industrial

Center Thelma Monroe Phoenix, AZ

ASAP Homeless Services, Inc.

Myrtle Hall St. Petersburg, FL ASAP Homeless Services, Inc.

Debbie Rowland St. Petersburg, FL

Ascension Place Delicia Jackson Minneapolis, MN Asian Counseling Referral Service

Eugene Shen Seattle, WA

Atlanta Children's Shelter, Inc.

Jacqueline Brown Atlanta, GA

Atlanta Community Food Bank

Kathryn Palumbo Atlanta, GA

Aurora Project Celeste Buckner

Toledo, OH

Avondale Social Services

Esther Pineda Avondale, AZ

Az Neighborhood Networks Partnership

Marcia Newman Phoenix, AZ

Bellflower Center

Cleveland, OH

Bainbridge Island Help Line

House Clara Manny Bainbridge Is., WA

Jean Kwait

Bellingham CVM Patricia Rathburn

Bellingham, WA

Betania Community Center

Pedro Denga Phoenix, AZ

Bike Alliance Louise McGrody Scattle, WA

Blaine Family Service Center

Andree Marcus Bellingham, WA Boley Center Butterfly Garden

Meghan O'Grady St. Petersburg, FL **Boley Vocational** Andy Shaver St. Petersburg, FL **Boston Family** Karoline Walsh Boston, MA

Boston Rescue Mission On The Job

Raquel Miller Boston, MA

Brandon House Ruthic Lamont Boston, MA

Capitol Mall Association

Tammy Bosse Phoenix, AZ

Cara Program Rachel Gubbins Chicago, IL

Casa De Esperanza

Sue Fuentes Saint Paul, MN Casa Teresa Peggie Perrin Phoenix, AZ

CASA-Domestic Violence Shelter

Maria Henderson St. Petersburg, FL Catherine Booth House Elle Keisle Seattle, WA

Catholic Charities - Branch 3

Jesus Reyes Minneapolis, MN

Catholic Charities - Dorothy Day Center Julie Koch Saint Paul, MN

Catholic Charities - Evergreen

Apartment Dominick Bouza Minneapolis, MN Catholic Charities - Exodus Hotel Richard Knobel

Catholic Charities - Exodus Job

Service Jim Durdle Minneapolis, MN Catholic Charities - Family Services Barbara Hunt Maplewood, MN

Minneapolis, MN

Catholic Charities - Frogtown

Center Lisa Geehan Saint Paul, MN Catholic Community Services Bell Ann Olde

Tacoma, WA

Center for Employment &

Training Claire Press Saint Paul, MN Center For Families & Children Deborah Rodriguez

Cleveland, OH

Central Minnesota Jobs &

Training Service

Tiffany Bornetun Elk River, MN

Chaplain For The Homeless

Kay Martin Phoenix, AZ

Chicago Coalition for the

Homeless Steffani Francis Chicago, IL

Child Protective Services

Lisa Forsman Phoenix, AZ

Chrysalis - Power I - Cd Primary

Care

Elisa Rodriguez Minneapolis, MN

Clearwater Homeless Intervention Project

Ed Brant

St. Petersburg, FL

Clearwater Homeless Intervention Project Rosemary Sugar

St. Petersburg, FL

Coming Home Project

John Jameson Seattle, WA

Community Action Council -

Sue Swenson Hastings, MN

Community Action Program, El

Mirage

Lorenzo Aguirre El Mirage, AZ Central Phoenix Family Service

Ctr.

Heidi Hastings Phoenix, AZ

Chicago Christian Industrial

League Lekeeta Charley Chicago, IL

Chicago Commons

Kendall Holliday Chicago, IL

Chris Becker Dining Room

Enriqueta Camargo Phoenix, AZ

City Of Seatac

Lydia Assefe Dawson Duwamish, WA

Clearwater Homeless Intervention

Project Tami Carlson St. Petersburg, FL

Collaborative Transition Services

Joyce Yoder East Union, WA

Community Action Council

Sue Swenson Eagan, MN

Community Action Council -

Eagan Neighbor

Connie Kallevig-munson

Eagan, MN

Community Pride Child Care

Tari Orr

St. Petersburg, FL

Community Technology Alliance

Betsy Arroyo San Jose, CA Compass Health Mark Ibsen Everett, WA

Crisis House Terri Richardson El Cajon, CA Crisis Services Natilie Briggance Bellingham, WA

Crittention Hastings House

Wendy Weiser Boston, MA Crossroads Community Ministries,

Inc. Stan Dawson Atlanta, GA

CVM For Educational Opportunity & Resource Center Sherrilyn Reed Cvm User Group Patt Patterson Phoenix, AZ

D S H S - Pierce South Roberta Bortuska Puyallup, WA David's House Delores Jones Toledo, OH

Department Of Economic Security - Dakota

Rick Gubash Burnsville, MN **Department Of Economic Security**

- Marsha Mary Alms Marshall, MN

Department Of Economic Security/ D.r.s.

Linda Larson Brooklyn Park, MN Disadvantaged Students and

Adults
Jackie Thomas
St. Petersburg, FL

Division of Blind Services

Heather Deacon St. Petersburg, FL Division Of Indian Work -

Horizons

Jeanette Melenaro Minneapolis, MN

Division of Vocational Rehabilitation Verilea Howard Scattle, WA Division of Vocational Rehabilitation Carl Johnston Bellingham, WA

Domestic Abuse Project - Pilot

City Verilea Howard Minneapolis, MN DSHS Work First Hollis Jackson Bellingham, WA East Side Neighborhood Service,

Inc. - N

Neely Benjamin Minneapolis, MN Easter Seals Metropolitan Chicago

Bill Kern Oak Park, IL

Eastside Family Center

Joan Schlecht Saint Paul, MN Eastside Work Resource Hub

Rashid Arraiah Saint Paul, MN

Eden Programs - Women's

Melanie Williams Minneapolis, MN Elim Transitional Housing - Rapid

Exit -

Scheryl Wilson Minneapolis, MN

Employment Security/ Veteran's

Unit Tom Noel Bellingham, WA **Episcopal Community Services**

Anna Gwyn May San Diego, CA

Episcopal Community Services -

Families Mary Schatzlein Minneapolis, MN Episcopal Diocese of Atlanta

Connie Blair Atlanta, GA

Families Moving Forward

Carol Merriweather Minneapolis, MN Family & Children's Service -

Pride

Tomoe Ouchi Minneapolis, MN

Family Resources, Inc. Street

Safe Program Lisa Jackson St. Petersburg, FL Family Sef-Sufficiency-PCHA

Rainbow Village Jody Malsbury St. Petersburg, FL

Featherfist

Melanie Anewishki Chicago, IL Ferndale Family Resource Center

Dorothy MacSlarrow Bellingham, WA

First Step Artic Rounds Boston, MA Florida Diagnostic and Learning Resource System Caroline Fricano

FL

FOCUS

Jamie Jackson Toledo, OH Frankford Avenue Health Center

Milton Holnes Philidelphia, PA Frankford Avenue Health Center

Staya Londono Philidelphia, PA Frankford Avenue Health Center

Florence Ricks Philidelphia, PA

Freemont Public Association

Teresa Ballard Seattle, WA Freemont Public Association

Lorelei Berndt Seattle, WA

Freemont Public Association

Rosemary Bradshaw Seattle, WA

Freemont Public Association

Gillian Burlingham Seattle, WA

Freemont Public Association

Sara Chehraz Seattle, WA Freemont Public Association

Julie Chritiana Herti Seattle, WA

Freemont Public Association

Anne Dederer Scattle, WA Freemont Public Association

Lucretia Granger Seattle, WA

Freemont Public Association

Rob Haliock Seattle, WA Freemont Public Association

Lee Harper Seattle, WA

Freemont Public Association

Nick Jackman Seattle, WA Freemont Public Association

Maureer Jones Seattle, WA

Freemont Public Association

Dea Larsen Seattle, WA Freemont Public Association

Natalie Lecher-Pozarsky

Seattle, WA

Freemont Public Association

Tony Lee Seattle, WA Freemont Public Association

Robin Low Seattle, WA

Freemont Public Association

Natasha Marcynyszyn Seattle, WA Freemont Public Association

Kathy McCormackl Seattle, WA Freemont Public Association

Colicen Neubert Seattle, WA Freemont Public Association

Barbara Rader Seattle, WA

Freemont Public Association

Amy Reddinger Seattle, WA Freemont Public Association

Linda Schnee Seattle, WA

Freemont Public Association

Shannon Schuldt Seattle, WA Freemont Public Association

Kathleen Showalter Seattle, WA

Freemont Public Association

Steve Thornton Seattle, WA Freemont Public Association

Julie Watts Seattle, WA

Freemont Public Association

Terri Yaffee Seattle, WA Freemont Public Association

Stephanie Yeager Seattle, WA

Freeport West - Family

Assessment Chris Hill Minneapolis, MN Freeport West - Project Solo

Martha Bradley Minneapolis, MN

Fremont Public Access

Eileen Bidweil Seattle, WA Friend to Friend Clubhouse

O'Neal Graham San Diego, CA

Furniture Bank of Metro

Atlanta Tom Polk Atlanta, GA Gay Me's D. V. Andy Mejia

Boston, MA

Georgia Law Center for the

Homeless Sherry Siclair Atlanta, GA Georgia Travis Center/ Commercial Street Inn Francella Stevens

Francella Steven San Jose, CA

Goodwill

Clark Brekke Liberty Park, WA Goodwill - Easter Seals -Employment

Lynnette Bergstrom
Saint Paul, MN

Greenhouse Out of Deer Park

Jolene Schuler Deer Park, WA Greenhouse Recovery Center

Ron Schwartz Saint Paul, MN

HEALx Paychex
Deborah Klimkowicz
Cleveland, OH

Hall Mercer Mike Whalcy Philidelphia, PA

Healthy Start - All Children's' Hospital

Mary Ellen Deloache St. Petersburg, FL Hello House Michael Jones Boston, MA

Hired - Brooklyn Park

Dee Everett Brooklyn Park, MN Homestart (former G B H I)

Diane Issa Boston, MA

Homeward Bound Michaela Cannon Phoenix, AZ Hospitality Center Sue Murphy Chicago, IL

House Of Charity Ed McCarron Spokane, WA

House Of Refuge Dave Atkins Phoenix, AZ

Hull House Associations

Amanda Deisch Chicago, IL Hunting Park Health Center Richard Vezina

Richard Vezina Philidelphia, PA

Impact Service Corp.

Julie Toledo Philidelphia, PA Impact Veteran Service

Dick Finch Philidelphia, PA

Inn at the Orchard

Karen Lavalla Bellingham, WA Inner Voice Ceandra Daniels Chicago, IL

Interfaith Hospitality Network

T J Sather Liberty Park, WA JR I- Housing Options Program

Ana Sterling Boston, MA **JEVS Northeast Regional Service**

Center

Jasmine Encruacion Philidelphia, PA

San Diego, CA

Jewish Family Service

Beth Gladstein San Diego, CA

Jewish Family Service -Vocational Impro

Sunny Floum Saint Paul, MN Journey Resource Center For

Women Kari Lenhart Minneapolis, MN

Julian Street Inn

Roberto Duran San Jose, CA Keys Community Center

Sandra Crowe Phoenix, AZ

King County Veterans Program

Marty Kaplan Scattle, WA Legal Aid Society Of Minneapolis

Andrea Wambach Minneapolis, MN

Listening House

Dana Dellis Saint Paul, MN Lummi Work First

Bobbi Lane Bellingham, WA

Lutheran Compass Cascade

Women's Center Barbara Murphy Seattle, WA Lutheran Social Ministry (East

Valley)

Traci Gruenberger Phoenix, AZ

Lutheran Social Services -

Family Transit Sarah Axvig Minneapolis, MN Madison Aids Clinic Harborview

David Clarke Seattle, WA

Mahnomen County Human

Services Arlene Podiak Mahnomen, MN Malden Tri-cap (hip)

Diane Munson Boston, MA

Mercy Hospice

Kristy McCourt Philidelphia, PA Merrian Park Community Services

Suzanne Witte St. Paul, MN

Mesa Community Action

Network Laura Gwinn Mesa, AZ Metroeast - Program For Health

Jennifer Ditlevson S Saint Paul, MN Mid-Pinellas Homeless Outreach

Clare Creager St. Petersburg, FL

Mid-Pinelias Homeless Outreach

Lynn Rogers
St. Petersburg, FL

Midtown Assistance Center

Dorothy Chandler Altanta, GA Minnesota Men Of Color - Ikehe

Wichasha Nick Metcalf Minneapolis, MN

Minnesota Work Force Center

Jody Pepinski Burnsville, MN Minnesota Work Force Center

Curt Sammonn Saint Paul, MN

Minnesota Work Force Center

Rebecca Sunder Monticello, MN Model Cities Of Saint Paul, Inc.

Rosemary Williams Saint Paul, MN

Mount Olive Richard Jackson

Philidelphia, PA

Neighborhood House

Dan Hoxworth Saint Paul, MN

Network

Beth Leventhal Boston, MA New Foundation, Inc.

Pam Ampferer Saint Paul, MN

New Start

Doug Trautloff Tacoma, WA New Unity, Incorporated

Dawn Williams Minneapolis, MN

Night Hospitality at Clifton Presbyterian Church

Leslie Withers

Nooksack Work First

Darlene

Bellingham, WA

Northwest Women's Law Center

June Krumpotick Seattle, WA Northwest Workforce Development Council

Kit Vonnegut Bellingham, WA

Old Town Christian Ministries

Peggy Shapiro Bellingham, WA One Day At A Time

Rena Rogers Philidelphia, PA **Open Door Ministries**

Brad Self Toledo, OH Operation A B-L E Pilsen

Cass Cameron Chicago, IL

Operation De Novo

Sandye Mills Minneapolis, MN Operations ABLE Downtown

Joann Samuels Chicago, IL

Opportunity Council

Cat Lehman Bellingham, WA Our Saviour's Housing

Sandra Aslaksen Minneapolis, MN

Outside In

Erica Tigeson Portland, OR Overington House, Inc.

Amy Gomez Philidelphia, PA

Pacific Associates

Sheila Kuniyuki Seattle, WA Pathways Community Network,

Inc.

William Matson Atlanta, GA

People Serving People - 410

Shelter Mary Crowley Minneapolis, MN People, Inc. - Cd Case Mngment

For Adult Marleen Cross Anoka, MN

People, Inc. - Search Program

Anne Barnwell Minneapolis, MN Perspectives, Inc. - Transitional

Housing

Bobbi Masquelien Saint Louis Park, MN

Phillips Way To Grow Program

Sandra Rivera Minneapolis, MN Phoenix Early Head Start

Maggie Reniers Phoenix, AZ

Phoenix Indian Center, Inc.

Nancie Haranaka Phoenix, AZ Pine Street Inn

Lydia Downie Boston, MA

Pinellas Cares

Chrissy Jackson Pinellas, FL Pinellas Cares Edward Perry Pinellas, FL Pinellas Cares Micki Thompson Pinellas, FL

Pinellas County Social Services-Clearwater Maddie Odems Pinellas, FL

Prefab Autumn House

Kathy Dinolfi Mesa, AZ

Project Connect greater Boston

CVM Meghan Coughlin Boston, MA

Project Connect Greater Boston

CVM Joe Finn Cambridge, MA **Project For Pride In Living**

Molly John Minneapolis, MN

Project Home Genny O'Donell Philidelphia, PA **Project Place** Angie Felix Boston, MA

Project Safe Ted Spaeth Philidelphia, PA

Public Health Dept. MOM's Plus

Judy Evans Scattle, WA

Pyramid Partnership Inc/Project

Workwise Dennis Brittain Chicago, IL

Ouest Inn Leslie Backus St. Petersburg, FL

R A P Self Sufficiency Mary Lou Clowes, Dir Saint Paul, MN

Rainbow Activity Center

Russ Sapienza Bellingham, WA

Ramsey County - Job Training

Mary Haigh Roseville, MN **REM Association**

Jim Guice Spokane, WA

Resource, Inc. - Employment

Action Center Tia Wilke Minneapolis, MN Resource, Inc. - Recovery

Resource Center Al Hawkins Minneapolis, MN

Rose of Lima House Cynithia Shaw Seattle, WA

Rural MN C E P, Inc. - Workforce Center Lana Doll

Fergus Falls, MN

Salvation Army - Project Break

Through Meggan Hanson Minneapolis, MN Salvation Army Cambridge

Dennis Reed Boston, MA

Salvation Army Family,

Sunnyslope Enriqueta Camargo Phoenix, AZ Salvation Army Safe Center

Gerri Anee Armstrong

Spokane, WA

Salvation Army Transitional

Jane Silverman Philidelphia, PA Salvation Army Transitional

Gloria Burges Philidelphia, PA

San Jose Fritst Anne Ehreeman San Jose, CA Sandra's Lodge Kristy Sweet Middlesex, MA

SCUSD Adult Program

Alison Dougherty Santa Clara, CA Second Start Chirstine Skeen San Jose, CA

Self Inc. / Super Nofa

Lloyd Parker Philidelphia, PA Senior Center Sherri McNeil Toledo, OH

SNAP Downtown Office

Mary F Westerman Spokane, WA **Snohomish County Voice Mail**

Carole Springsted Everett, WA

Solutions At Work

Darrel Lifred Boston, MA Sousa Transitional Shelter

Program Sandra Faust Chicago, IL

South Regional Center

Charity Eremich Philidelphia, PA Spokane Neighborhood Action

Programs
John O'Rourke
Spokane, WA

St Margaret's Hall Shelter

Nadine Fanstone Liberty Park, WA St. Ambrose Family Inn

Patricia Dancy Boston, MA St. Johns

Edward Speedling Philidelphia, PA St. Johns
Frank Stucker
Philidelphia, PA

St. Joseph's Office of Social

Ministry
Anne Holgado
San Jose, CA

St. Paul Area Council Of Churches

Sara Liegl Saint Paul, MN

St. Paul Intervention Project

Rebecca Mc Lane Saint Paul, MN St. Stephen's Shelter

Cynthia Bobo Minneapolis, MN

St. Vincent's Nancy Gentile Philidelphia, PA S-Team Winton Smith Phoenix, AZ

STRIVE

Sharon Slatton Chicago, IL Strong Tower

David Washington Phoenix, AZ

Suburban Job Link

Robert Hollman Chicago, IL Success Training and Retention

Services

Hermes Pacheco St. Petersburg, FL

Sunnyslope Family Services

Center Ramona Flores Phoenix, AZ Supportive Living Program

Kim Longhofer Spokane, WA

Sylvan Learning Systems, Inc.

Mike Gallagher Chicago, IL T.A. S. C. John Swaile Toledo, OH

Tacoma Community House

Diane Giannobile Tacoma, WA The Employment Project

Karl Greene Chicago, IL

Trans. To Work Collaboration

Jessica Dawn Boston, MA Transition House Inc.

Patti Cullen Boston, MA Transitional Housing

Edith Williams Cleveland, OH Trevors Place Billy Donnelly

Billy Donnelly Philidelphia, PA

Trevors Place

Toni Faison Philidelphia, PA Twin Cities Community Voice

Mail

Jerri Sudderth St. Paul, MN

United Methodist Outreach

Ministries, Sr Dan Gottry Phoenix, AZ Urban Hope Ministries, Inc.

Floyd Beecham Minneapolis, MN

Urban Ministry of Palo Alto

Brooke Schenke Palo Alto, CA Urban Ventures Leadership

Foundation - T Mark-Peter Lundquist Minneapolis, MN

V. K. Arrigoni House

Rob Schluessier Saint Paul, MN Valley Homestead

Railee Young Bellingham, WA

Vista Paiute Job Preparation

Stacey Benson Scottsdale, AZ Weingart Center Association

Matthew Bengard Los Angeles, CA

Whole Life Foundation

Ginger Goldman Phoenix, AZ Wilder Foundation - Community

Housing Keith Denison Saint Paul, MN

Willson Tower/Salvation Army

Henry Coyle Cleveland, OH Women Against Abuse II

Gloria Wetstone Philidelphia, PA

Women Of Nations - Eagle's Nest

Shelter Nikki Your

Nikki Younghans Saint Paul, MN Women's Advocates Melinda Jackson Saint Paul, MN

Womens Drop In Center

Mary Rathert Spokane, WA YWCA Battered Women's

Shelter Patti Neiman Toledo, OH Youth On Fire Cyndi Eigler Boston, MA

YWCA Teri Smith Bellingham, WA

cc: FCC Commissioners Members of Congress

Gillette Abuse Refuge Foundation

(307) 686-8071 • 910 E. Third. • Soite I. • Courryard. • P.O. Box 3110. • Gillette, Wyoming 82717-3110.

September 26, 2000

Honorable William E. Kennard, Chairman Federal Communication Commission 445 Twelfth Street, S.W. Suite 8-B201 Washington, D.C. 20554

Re: CCB/CPD No. 00-1, CCB/ CPD No. 99-27, CCB/CPD No. 99-35

Dear Chairman Kennard:

The Gillette Abuse Refuge Foundation is a non-profit organization which provides assistance and shelter for victims of domestic violence and sexual assault. I am a crisisworker who has daily contact with our victims. I know their problems. G.A.R.F. has become aware that many public pay phones are being taken out of service due to economic pressure on the providers. We believe the removal of public phones will be a disaster for present and future victims of domestic violence.

One of the early steps taken by a controlling spouse is to isolate the victim. This isolation starts with destruction and other prohibitions against using the home phone. Often the public telephone is the only resource available to the victim to make contact with a friend or family member or with our organization.

The more isolated the population, the more critical is the access to a public phone! City dwellers may have businesses or neighbors where phones are available, but in rural America the public phone is the victim's only resource.

Please consider the public phone issues before your commission and place a high priority upon the preservation of the public telephone. When line rates for public phones are addressed, insure that the rates are low enough, or subsidized, to preserve and encourage expansion of the availability of public telephones.

Sincerely, J Lital Jue Hinsen Carol Sue Hansen, GARF Crisisworker

cc: Congresswoman Barbara Cubin
Senator Craig Thomas

This is Senator Michael Enzione and the second of the second second of the second second second second second

the American Public Communications Council, Inc. Total Control of the Action of the Ac



YMCA CHILDREN, YOUTH AND FAMILY SERVICES, INC.

Sarasota Family YMCA, Inc.

25 North School Avenue, Sarasota, Florida 34237-6001 (94)

(941) 366-3881 Fax: (941) 366-5658

CHILDREN'S SERVICES

Primary Office 122 N. Lime Avenus Sarasota, FL 34237 1-000-317-4698 (941) 963-9514

819 N. Mille. Suite & Arcadia, FL. 34266 (863) 9934727

Community Care and Service Center of Charleste Center 19500 Toledo Blade Blod. Suite 97 Pert Charlotte, FL 39948 1941) 615-1429

HIPTY 2300 Janie Poe Drive Sarasoca, FL 34234 (941) 366-0056

HIPPY DeSoro P.O. Bore 2020 Arcadia, FL 34255 (653) 4944737

YOUTH & FAMILY SERVICES

Family Mgmt. Services 25 N. School Avenue Jararota, FL 34237 (941) 265-6596

Youth Shelter 1106 S. Briggs Amount Serseots, FL 14237 (941) 566-7279

TRIAD (North) Alternative E4. 4409 Surper Road Sarasota, FL 34233 (941) 361-4752

TRIAD (South) Alternative Ed. 1130 Indian Hills Bird: Venice, FL 34293 (941) 4863151

CYD Project 4409 Sawjer Road Sersions, FL 34233 (941) 922-5126

Transitional Living 1084 S. Briggs Awares 32/20045. FL 34237 (941) 955-3161

Charager House 4) N. School Avenue Sarasota, FL 34237 (941) 365-2525

FOSTER CARE SERVICES

Serantia County Coalition for Families & Children 4630 17th Street Samous, FL 34235 (241) 3714796 September 21, 2000

Honorable William E. Kennard, Chairman Federal communications Commission 445 Twelfih Street, SW Suite 8-B201 Washington, DC 20554

RE: CCB/CPD No. 00-1, CCB/CPD No. 99-27, CCB/CPD No. 99-35

Dear Chairman Kennard.

As Director of the YMCA Youth Shelter, I am writing to inform you that we serve a large number of citizens that have a need for public payphones. Our services are geared toward 10 to 17 year olds and their families. In serving this population it is of the up most importance that they would have access to public payphones. For instance, if a child were out on the street and needed help they would more than likely use a public payphone to call 911 or our 24 hour number to summon help. Taking away access to public payphones is leaving our children without a means of getting help in a time of crisis.

I have a concern that more and more telephone companies are removing public payphones. I have been advised that these payphones are not profitable due to a dwindling number of local calls and the cost of operating the payphones. It is my understanding that the largest component of the cost incurred by the payphone providers is the cost of the telephone line.

I understand there are three proceedings before the FCC to make sure payphone line rates are reasonably priced so more payphones will be available to the public. It is my desire that these initiatives be passed so that the citizens we serve will have a payphone when they need one.

Chairman Kennard, please take whatever action is necessary to make sure public payphones are available for everyone.

Sincerely.

Carrie Phelps, Director YMCA Youth Shelter

Cc: Congressman Dan Miller, Senator Bob Graham, Senator Connie Mack, American Public Communications Council, Inc.











Appendix I

NORTH CAROLINA SHERIFFS' ASSOCIATION LAW ENFORCEMENT OFFICERS AND STATE OFFICIALS.

OF NORTH CAROLINA

1st Vice President SHERIEF JIM PENDERGRAPH Mecklenburg County

2nd Vice President SHERIEF WORTH HIL. **Durham County**

SHERIFF LITCHARD D HURLE Randolph County

> Executive Director DONNA MAYNARD

SHERIFF EARL RIBUTLER Cumberland County

Secretary-Treasurer SHERIFF WAYNE V GAY Wilson County

E-mail_ncsa@ncsheriffs.net Mail Address: P O. Box 20049 • Rateigh N C 27619-0049 Suite 101 • 3709 National Drive • Raleigh N. C. 27612

Telephone (919) 783-8899 • Fax: 919) 783-5272

Web Page Address: ncsa@ncsheriffs.org

NORTH CAROLINA SHERIFFS' ASSOCIATION

RESOLUTION

NORTH CAROLINA SHERIFFS' ASSOCIATION SUPPORTS FCC ACTION TO ENSURE WIDESPREAD DEPLOYMENT OF PAY TELEPHONES

WHEREAS, The North Carolina Sheriffs' Association recommends that the Sheriffs support FCC action to make sure that pay telephones will remain available for the public, and

WHEREAS. Sheriffs are the highest elected Law Enforcement Officer on the local level with the responsibility to provide for the safety of all the citizens, and

WHEREAS, citizens rely on the availability of pay telephones for emergencies and for use away from home, and

WHEREAS, pay telephones are a critical lifeline service-the "last line of defense" for many low-income people, and

WHEREAS, today telephone companies are removing a significant number of payphones due to the increased use of wireless services, and

WHEREAS, citizens who cannot afford to have a phone in their home must have pay telephones available to access 911 emergency services, and

WHEREAS, citizens who are away from home and have no wireless service must have pay telephones available to access 911 emergency services, and

WHEREAS, Congress enacted Section 276 of the Telecommunications Act of 1996 "to promote the widespread deployment of pay telephone services to the benefit of the general public."

THEREFORE, BE IT RESOLVED the North Carolina Sheriffs' Association urges the FCC to make sure pay telephones will be available for the general public.

Adopted at a meeting of the General Membership on this 26th day of July, 2000, in Asheville, North Carolina.



Resolution

SUPPORT FCC ACTION TO ENSURE WIDESPREAD DEPLOYMENT OF PAYPHONES; and for other purposes.

WHEREAS, Georgia Sheriffs' Executive Committee recommends the Georgia Sheriffs' Association support FCC action to make sure that payphone line rates are reasonably priced so payphones will be available for the public; and

WHEREAS, Sheriffs are the highest elected Law Enforcement Officer on the local level with the responsibility to provide for the safety of all citizens; and

WHEREAS, citizens rely on the availability of payphones for emergencies and for use away from home; and

WHEREAS, payphones are a critical lifeline service – the "last line of defense" for many low-income people; and

WHEREAS, today telephone companies are removing a significant number of payphones due to the increased use of wireless services; and

WHEREAS, citizens who cannot afford to have a phone in their home must have payphones available to access 911 emergency services; and

WHEREAS, citizens who are away from home and have no wireless service must have payphones available to access 911 emergency services; and

WHEREAS, Congress enacted Section 276 of the Telecommunications Act of 1996 "to promote the widespread deployment of payphone services to the benefit of the general public."

THEREFORE, BE IT RESOLVED the Georgia Sheriffs' Association urges the FCC to make sure payphone line rates are reasonably priced so payphones will be available for the public.

SIGNED:

ATTESTED TO: Scott Chitwood

Scott Chitwood, Secretary-Treasurer

Orlando Sentinel

TELECOMMUNICATIONS Tuesday's tragedy highlights value of pay phones

By Christopher Boyd | Sentinel Staff Writer Posted September 17, 2001

Telephone companies are gradually removing pay phones from grocery stores, restaurants and street corners around the nation as more and more cell-phone users ignore them.

But the surge in cellular-phone use that followed last Tuesday's terrorist attacks on the World Trade Center and the Pentagon, and the resulting calling jam, showed that pay phones are still valuable.

The surge in calling that followed the attacks overwhelmed many cellular phone networks. Callers received busy signals or no signal at all. As a result, many people clicked off their portables and went searching for a change-gobbling pay phone.

The cellular phone gridlock blocked many calls for hours following the attacks. So those who wanted to check on loved ones turned to pay phones -- in Manhattan, they formed long lines waiting to make calls. Verizon, the incumbent phone company in New York, responded by not charging for calls made on its street phones.

Last week's attacks raised another issue for the wireless industry: The effectiveness of its pending 911 system that is designed to pinpoint cell-phone callers within one to five miles.

The system, which was supposed to become active on Oct. 1, already faces delays. Wireless phone companies want a postponement from the Federal Communications Commission because only about 10 percent of the nation's police forces have equipment needed to use the phone-location system.

But the attacks on the World Trade Center and Pentagon suggest that a more accurate system -- one that can exactly pinpoint cell-phone users -- would be immensely valuable.

Many of the survivors of the World Trade Center attack, including some buried under the collapsed structure, used cell phones to call for help. A system that would identify their position might greatly speed a rescue and make the difference between life and death.

In fairness, the new 911 system is supposed to be rolled out in phases, and future enhancements should make it possible to come within 100 yards of a phone. But that distance, when placed in the context of a search and rescue operation, may still be unacceptably broad.

Roving billboards

BellSouth Corp. launched a new advertising campaign this month that will turn its fleet of service vans into mobile promotional units.

The campaign, which advertises BellSouth FastAccess Internet Service and BellSouth RealPages.com, is a first for the giant Southeastern telecom company. BellSouth is wrapping 400 vans with eye-catching graphics using a new technology that is being used extensively in California on cars.

Appendix L

Comparison of Payphone Deployment (1999-2001)

	Payphones as	Payphones as	Payphones as	% change from	% change from	% change from
State	of 3/31/99	of 3/31/00	of 3/31/01	1999 - 2000	2000 - 2001	1999 - 2001
Alabama	23,869		21,894	1.5%	-9.7%	-8.3%
Alaska	2,343	4,583	4,594	95.6%	0.2%	96.1%
Arizona	34,199	33,363	37,326	-2.4%	11.9%	9.1%
Arkansas	17,730			-4.4%	-11.5%	-15.4%
California	294,734	267,956		-9.1%	-8.0%	-16.3%
Colorado	27,151	27,035		-0.4%	-4.3%	-4.7%
Connecticut	23,556		24,197	10.1%	-6.7%	2.7%
Delaware	5,712			-0.3%	-4.6%	-4.9%
District of Columbia	10,366			1.3%	-17.8%	-16.7%
Florida	120,650		107,213	-1.2%	-10.1%	-11.1%
Georgia	56,453	61,519		9.0%	-5.4%	3.1%
Hawaii	8,670	8,943	8,196	3.1%	-8.4%	-5.5%
Idaho	7,031	6,854		-2.5%	-6.1%	-8.5%
Illinois	108,332	106,368	95,145	-1.8%	-10.6%	-12.2%
Indiana	43,384	42,429	38,114	-2.2%	-10.2%	-12.1%
Iowa	11,786	11,183	10,155	-5.1%	-9.2%	-13.8%
Kansas	19,667	16,949	15,881	-13.8%	-6.3%	-19.3%
Kentucky	26,552	19,233	21,244	-27.6%	10.5%	-20.0%
Louisiana	27,535	27,835	26,290	1.1%	-5.6%	-4.5%
Maine	7,524	7,496		-0.4%	-6.9%	-7.2%
Maryland	42,609	43,336		1.7%	-12.8%	-11.3%
Massachusetts	53,754	53,034	50,976	-1.3%	-3.9%	-5.2%
Michigan	88,226			-5.7%	-16.6%	-21.4%
Minnesota	20,898	16,831	20,621	-19.5%	22.5%	-1.3%
Mississippi	16,201	16,201	15,295	0.0%	-5.6%	-5.6%
Missouri	45,645	42,510	36,543	-6.9%	-14.0%	-19.9%
Montana	5,591	5,884	5,673	5.2%	-3.6%	1.5%
Nebraska	9,554	9,668	9,539	1.2%	-1.3%	-0.2%
Nevada	23,509	17,504	17,006	-25.5%	-2.8%	-27.7%
New Hampshire	7,938	8,132	7,851	2.4%	-3.5%	-1.1%
New Jersey	99,355	95,781	86,533	-3.6%	-9.7%	-12.9%
New Mexico	11,679	11,374	10,378	-2.6%	-8.8%	-11.1%
New York	186,217	171,098	175,045	-8.1%	2.3%	-6.0%
North Carolina	56.630			-18.9%	-5.1%	-23.0%
North Dakota	2,932	2,507	2,303	-14.5%	-8.1%	-21.5%
Ohio	33,054	71,266		115.6%	-3.4%	108.3%
Okiahoma	27,699	26,164		-5.5%	-14.7%	-19.4%
Oregon	21,898			-1.1%	-4.1%	-5.1%
Pennsylvania	90,313	90,603	84,209	0.3%	-7.1%	-6.8%
Rhode Island	7,602	8,935		17.5%	-7.3%	9.0%
South Carolina	26,133	28,444	26,053	8.8%	-8.4%	-0.3%
South Dakota	3,927	4,326		10.2%	0.9%	11.1%
Tennessee	35,338	38,929		10.2%	-18.8%	-10.6%
Texas	163,047	147,720	135,247	-9.4%	-8.4%	-17.1%
Utah	11,346	11,466	11,378	1.1%	-0.8%	0.3%
Vermont	3,714		3,593	1.3%	-4.5%	-3.3%
Virginia	61,876	57,621	49,378	-6.9%	-14.3%	-20.2%
Washington	35,646	34,368	34,274	-3.6%	-0.3%	-3.8%
West Virginia	11,490	11,704		1.9%	-5.9%	-4.1%
Wisconsin	36,712	35,383	32,623	-3.6%	-7.8%	-11.1%
Wyoming	3,749			3.2%	-2.7%	0.4%
Total	2,121,526	2,063,463	1,919,640	-2.7%	-7.0%	-9.5%